



SENATOR

**Rosemary McAuliffe**

E-Newsletter - 1st District, Bothell

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**1st Legislative District**

**February 24, 2010**

Dear Neighbors,

We are now rounding the bend of the 2010, 60 day session. Tuesday, February 16 was the last day bills had to be passed off the Senate floor for a chance at a hearing in the House. The momentum is still fast and furious as the Legislature wrestles with the state's \$2.8 billion budget deficit fueled by the national economic crisis. We continue to research all alternatives that will lead to a balanced approach while making investments in our future and protecting the wellbeing of all Washington citizens. I wanted to update you on current efforts and accomplishments.

Please contact me with any thoughts you have on these or other important topics.

Sincerely,

Rosemary McAuliffe

State Senator

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**Senate proposes balanced operating budget**

On Feb. 23 Senate Democrats offered a 2010 supplemental budget that will protect Washington's economic future and quality of life. In tough economic times, demand for public services like child care, public schools, state financial aid, health care, emergency assistance, and job training increase—simultaneously the revenue to fund them decreases.

The Senate's proposal re-balances the state budget using a mix of one-time resources, budget cuts and new revenues.

The budget preserves numerous core commitments that were cut in Gov. Chris Gregoire's all-cuts budget — most especially in the areas of early learning, k-12 and higher education — it also closes several institution, ends half a billion dollars worth of tax loopholes, provides a tax rebate for working families and tax credits for small businesses that create jobs, raises the cigarette tax by a dollar per pack, and temporarily raises the sales tax by three tenths of a cent.

All pertinent budget documents can be [found here](#).

### **Governor Gregoire signs early cuts bills into law**

Last year, the Legislature took a number of steps throughout the legislative session to reduce the cost of government. We continued this effort on February 15 when Gov. Chris Gregoire signed the first bills of the 2010 Legislature — three additional measures designed to achieve further cost saving.

We absolutely respect our public employees and the services they provide to each and every one of our districts across the state.

We also understand that the public expects reductions to state personnel costs to be part of the solution to our ongoing budget challenges.

To move towards balancing the state budget Gregoire signed:

- [House Bill 2921](#) prohibits state agencies from creating new jobs or filling vacant positions, purchasing equipment costing more than \$5,000 and restricting out-of-state travel. Exemptions could be made for "critically necessary work" that is approved in advance. This early action measure is expected to save the state about \$45 million.
- [House Bill 2998](#) suspends cash performance bonuses through this two-year spending period.
- [Senate Bill 6382](#) extends the freeze on salary increases for many state employees through June 20, 2011.

Such early action will save about \$100 million in expenditures.

## **Suspending Initiative 960 to protect Washington citizens**

While I believe the above cuts are necessary, at the same time they do impair our State's ability to meet the legitimate and compelling needs of its citizens. Clearly personnel and hours of service cutbacks alone cannot be applied repeatedly to a \$2.8 billion revenue shortfall, without destroying the capacity of our State to assure the structures and services on which we all depend, especially the most vulnerable among us. We are risk of dismantling our core public functions. We've dropped tens of thousands of people from health insurance and forced major reductions in nursing home care and mental health services. As a balanced approach to maintaining the bones of state services service we are also moving forward with closing tax loopholes and suspending initiative 960.

Under these exceptionally difficult economic conditions and in light of the painful personal circumstances of many Washington citizens, I concluded the supermajority requirements of 960 must be set aside in order for all possible tools to be used to rebuild the budget, set our State on a path to economic recovery and job growth and stabilize the structures and services that all citizens depend upon.

As written, 960 effectively prevents us from accessing these tools. Let me illustrate the problem. Under its broad definition of what constitutes raising taxes, a supermajority would be needed to take any of the following actions: (a) end tax preferences which favor certain favored interests at the expense of the ordinary taxpayer, or have no measurable economic benefit to the general public; (b) close tax loopholes that now exempt certain businesses from paying their fair share, (c) ensure that out-of-state businesses, who presently can avoid paying taxes paid by in-state businesses that offer equivalent services, will pay their fair share for the privilege of doing business in our State; or (d) transfer existing revenues between state accounts.

Persuading a simple majority to do such things is itself a challenge. Under 960 supermajority rules, it is in practice impossible to pursue any of these strategies. So 960 has become a shield from legitimate review and reform of our tax system.

I believe the majority of voters of the 1<sup>st</sup> District sent me to Olympia to represent their values and to protect vital programs, particularly those that provide a helping hand to vulnerable fellow citizens in need. I will do my best to continue to represent these values throughout the legislative session and beyond.

## Race to the Top federal funding bill passes Senate, now onto the House



This session I am proud to be sponsoring [Senate Bill 6696](#) which focuses on K-12 education reform that will better position Washington to win federal Race to the Top (RTTT) funding. RTTT is a \$4.35 billion program created by President Obama as part of the stimulus package to fund school reform through competitive grants.

On February 11 the bill passed off the Senate floor with a 41-5 vote.

The time is past due to give your children, my grandchildren and all connected to the education community the tools they need to succeed.

The bill is designed to help the state compete for federal Race to the Top funds by working to:

- Identify successful schools and support low performing schools.
- Create new state authority for turning schools around.
- Close achievement gaps.
- Support quality evaluation.
- Support quality evaluation of teachers and principals in our classrooms and schools.
- Add innovation by focusing on development of new Science, Technology, Engineering and Mathematics initiatives and the Arts.
- Strengthen parent and community involvement.
- Work towards goals set forth last year in ESHB 2261 while simultaneously positioning Washington to secure federal RTTT funding.



This measure moves us that much closer to a system that prepares students to be the most competitive they can to compete in our global society.

### **Supporting Bothell's Downtown Revitalization Plan**

Many of you may be aware of the downtown Bothell revitalization plan. The City of Bothell has been working on improving the traffic flow and use of one of the main downtown intersections of hwy 522 and hwy 527. The City of Bothell had applied and been accepted as a recipient for the state Local Infrastructure Financing Tool (LIFT) funding in 2007. I have been helping to work on some technical fixes to allow the City of Bothell to receive the \$1 million now in state funding to move the project along. Currently [Senate Bill 6609](#) and [House Bill 2933](#) are very much alive and moving through the legislative process. Please contact your legislator in support of these bills.